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IAC-D-29/2

7 September 1951

PROPOSED ANNEX 6 TO THE NSC PAPER
ON UNITED STATES OBJECTIVES AND PROGRAMS
FOR THE NATIONAL SECURITY

1. There is attached hereto a revised draft Annex 6 to be submitted to the NSC for inclusion with a revision of "United States Objectives and Programs for National Security" (NSC 68/4). This draft is the result of discussion with the IAC representatives on Friday, 7 September.

2. The IAC is reminded of the Annex 6 on intelligence which was submitted with the original NSC 68 and of the progress report which was submitted as approved by the IAC (IAC-D-29) which eventually came out under NSC 114.

3. The NSC Directive for the development of the present study requests a review of the current programs including analysis of difficulties encountered and recommendations regarding any revisions or modifications.

4. It is not possible to define intelligence programs in the same way that war production programs or military or economic aid programs may be defined nor are the sums of money involved of the same magnitude. This paper attempts to point out this difference and to state in the broad sense what the intelligence program is, describing developments in regard thereto and some of the difficulties encountered.

5. In view of the fact that this Annex is due at the NSC Staff on 10 September this paper is placed on the IAC agenda for urgent consideration at the meeting on Monday, 10 September.

Secretary

Intelligence Advisory Committee

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FOREIGN INTELLIGENCE AND RELATED ACTIVITIES

1. Because of the peculiar nature of intelligence operations, it becomes difficult to project national intelligence planning in terms comparable to those employed in a program aimed at the attainment of manpower or production goals. While intelligence must intensify its activities if it would audit the Soviet world's growth in strength and estimate its intentions, expansion in itself offers no guarantee of improved intelligence. Improvement in the integrity of the intelligence product is dependent not only upon increased production and collection of foreign intelligence but upon the skill with which it is evaluated and upon the intellectual competence with which it is interpreted in the preparation of estimates. Thus the root problem of intelligence is personnel-- personnel recruitment, training, and utilization.

2. Intensification of Related Activities can be more specifically programmed. However, the unique nature of such undertakings precludes detailed examination here. Although adequate funds have been budgeted for support of these related activities, difficulties in the recruitment and training of both U. S. and foreign personnel restrict the rate of expansion. Expanded domestic and overseas facilities for training are presently in process of construction. Existing plans contemplate expansion within the next two years to three times the current strength of personnel engaged in Related

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Activities. A sizeable proportion of that strength will consist of uniformed personnel from the armed forces.

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4. To improve the integrity of their intelligence product, the national intelligence agencies must focus added emphasis upon three essential parts of their program:

First, they must make certain that substantive targets in research, field activity, and estimates are in support of political and military problems confronting members of the National Security Council.

Second, they must make certain under the existing division of responsibility among intelligence agencies of the government that the resources and activities of each are so synchronized as to provide for maximum support.

Third, they must constantly re-assess and strengthen their capabilities and resources.

5. It is especially important that we achieve maximum effectiveness in the collection facilities of the national intelligence agencies.

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Efforts are being made in this direction particularly in the selection of what is to be collected and in what priority. This need is especially acute in clandestine collection where extraordinary difficulties and hazards exercise serious limitations on what we might expect from such sources.

6. Establishment of a coordinated program for systematic analysis of the Soviet and satellite economies provides opportunity for better appraisal of the capabilities and long-range intentions of the USSR. It likewise suggests possible avenues of U. S. counteraction by exposing the vulnerabilities of the USSR and its satellites.

7. In the coordination of foreign intelligence among national intelligence agencies the Director of Central Intelligence correlates the activities of each with its consent and concurrence to ensure that no gaps are left uncovered between agencies. At the same time he endeavors by recommendation to the NSC to prevent dissipation of effort in the overlapping or encroaching of one agency upon the roles and prerogatives of another. Central Intelligence is likewise charged with responsibility for services of common concern which can be most advantageously performed centrally. While progress has been made in this process of synchronization, there is still further need for improvement.

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8. The Intelligence Advisory Committee with representation from each of the departmental intelligence agencies has been increasingly helpful in facilitating consultation and the exchange of opinion among intelligence chiefs. For IAC provides a device whereby the chief of intelligence of each agency of government can comment upon, concur, or object to recommendations, proposals, or conclusions regarding problems of mutual concern. (*)

9. To guard against political or military surprise there has been created an interdepartmental Watch Committee whose responsibility it is to review systematically those current indications which might forecast critical moves. Facilities for prompt transmission and for evaluation of these indications are constantly being improved.

10. a. In the projection of intelligence programs, it is anticipated that more and more critical information within the USSR and its satellites must be sought by covert and clandestine means. The ordinary difficulties of clandestine operations are hugely magnified within the Soviet orbit where virtually the entire population forms a vast counterespionage net and where state surveillance severely restricts opportunities for penetration. Not only do the enormous difficulties of such clandestine operations strain available resources of

(*) CIA and State support the inclusion of this paragraph, which the other representatives would prefer to omit.

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qualified personnel but they may be expected to multiply in costliness and thus require increasingly greater expenditures.

b. With regard to intelligence programs other than covert or clandestine, however, this situation does not obtain. In overt intelligence programs output varies almost directly with the allocation of personnel and facilities. Present limitations operate to the effect that a minimum program to meet fixed commitments can be met only with the greatest difficulty with no margin for satisfying increasing demands resulting from the deteriorating world situation. Within the Departments of Defense, presently directed personnel cuts will make it impossible to maintain even this minimum program. The Department of State has also experienced difficulty in obtaining budgetary provision for adequate personnel expansion.

11. Lack of sufficient, secure, and convenient space in which to house intelligence headquarters activities has taxed several of the agencies in their effectiveness and jeopardized the security of their undertakings. Within CIA, however, this strain is expected to be eased with construction of a headquarters building designed to house securely the anticipated personnel strength of that agency for FY 1953. Funds have been authorized and construction, it is anticipated, may be completed in eighteen months. Should this project be impeded or delayed, Central Intelligence would

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be severely handicapped in executing its existing programs for expansion. No such improvement in space available to other intelligence agencies, however, is in prospect.

12. Current planning for the improvement and intensification of intelligence and related activities is believed adequate for the period under review. Implementation within the Department of Defense, however, is contingent upon the attainment of currently allocated personnel and facilities. Currently directed reallocations in personnel below allowances will preclude obtainment of present objectives.

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